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ONTARIO ECONOMIC COUNCIL

ANNUAL REPORT
1977-1978

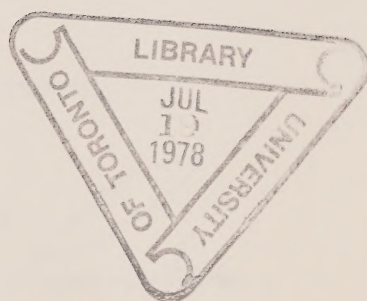


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Ontario Economic Council

ANNUAL REPORT



Report of the Chairman
1977-1978

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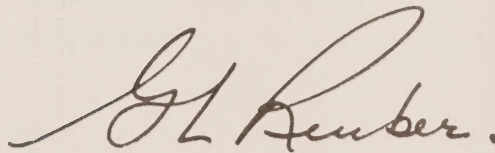
March 31, 1978

Honourable W. Darcy McKeough,
Treasurer of Ontario and
Minister of Economics and
Intergovernmental Affairs,
The Frost Building South,
Queen's Park,
Toronto, Ontario.

Dear Mr. McKeough

I have the honour to transmit herewith my annual statement on the activities of the Ontario Economic Council for the fiscal year ending March 31, 1978.

Sincerely,

A handwritten signature in dark ink, appearing to read "G.L. Reuber.", with a stylized, flowing script.

G.L. Reuber
Chairman

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INTRODUCTION

During the past year the Ontario Economic Council has continued to build on its earlier work in the fields of health, social security, urban affairs, education and manpower. It has also maintained some activity in the areas of national independence, the economy of northern Ontario and inter-governmental relations. At the same time, work has begun in a new area: government regulation. In addition, an up-date has been published on the outlook for the Ontario economy to 1987. The details of these activities are reviewed below.

As in our earlier work on government expenditure programmes, the emphasis has been on three basic themes: a) the size and growth of public expenditures; b) the impact of such programmes upon the personal distribution of income and wealth; and c) the redesign of existing programmes to make them more effective in terms of the objectives sought, more equitable and more cost efficient.

As reported earlier, the Council is now phasing down its work on northern Ontario and national independence. It is undertaking limited work in the area of intergovernmental relations. At the same time we are increasing our activities in the general field of government regulation. This was launched with a paper published in our "Issues and Alternatives" series last winter and has been pursued further by arranging for a series of research studies in this important but difficult policy area.

The web of government rules and regulations shows signs of growing ever greater and more intricate. Not only does it impinge upon individual freedom but also it significantly impedes economic activity and exacts substantial economic costs. What can be done to keep such rules and regulations up to date, to ensure that the benefits derived are commensurate with the costs, and to improve the design and administration of regulations?

Because of its vital importance to the future of the Province, the Council also issued a paper on private investment in its "Issues and Alternatives" series last winter. Our purpose was to focus attention on how to increase private investment and, along with it, productivity and employment. In the paper, consideration is given to the characteristics of private investment, its development over recent years and the impediments to its growth. Some suggestions are offered about what policy changes might be adopted to increase the level of business investment.

Both of these "Issues and Alternatives" papers formed the basis of our "Outlook and Issues" Conference held at Toronto on March 6, 1978 along with a third paper "The Ontario Economy, 1978-1987". This is an up-date of our earlier paper on the same subject prepared by members of the Insti-

tute for Policy Analysis at the University of Toronto. In addition to incorporating more recent data and policy changes, the recent study provides a more detailed industry breakdown of the projections. We intend to publish an up-to-date and expanded version of these projections every second year in future.

In submitting my final report as Chairman of the Council, I wish to acknowledge the splendid support and conscientious efforts made by members of the Council during the past five years as well as by members of the Council's staff, our research advisory teams and numerous individuals who have undertaken research under Council auspices. In my initial report, I indicated that the Council's plans offered mainly promise which would take some time to materialize. In my view much of this promise has now been realized, in no small measure as a result of the dedicated efforts of the many individuals with whom it has been my good fortune to work as Chairman of the Council since 1973.

Completed Research Studies and Research Projects in Progress

Completed Research Studies

A number of research reports were published this year either in the form of research studies published by the University of Toronto Press or in the form of working papers, occasional papers or discussion papers. In addition, at the time of writing this report, a number of studies were in press.

PUBLISHED RESEARCH STUDIES

Government Support of Scientific Research and Development: An economic analysis

D.G. McFetridge

This book examines the role of government in the allocation of resources to scientific research and development in industry. Starting from the premise that state intervention can be justified only if it increases economic efficiency, the study assesses the merits of alternative forms of government intervention, such as extending the scope of property rights to scientific discoveries, providing R & D subsidies, and government operation of research facilities. Focusing on the conditions under which subsidies should be granted, the enquiry considers the effects of such measures as the discrimination between foreign and domestic or between exporting and non-exporting applicants and the restriction to Canada of the exploitation of project results, and it examines the problem of determining the size of subsidy to be awarded.

An analysis of the current Canadian R & D subsidy assesses the extent to which subsidies may have been used to achieve alternative goals (such as support of failing firms), their effect on the total value of resources allocated to R & D, and the connection between research expenditures and patenting activity. Evidence is found that the present subsidy system has had the effect of increasing total R & D expenditures, which in turn has stimulated patenting activity. Whether the inventions obtained were worth their cost is left an open question.

Public and Private Pensions in Canada: An economic analysis

J.E. Pesando and S.A. Rea Jr.

At current contribution rates, the investment fund of the Canada Pension

Plan will be exhausted before the end of the century. At an inflation rate of 8 per cent, the real value of today's private pension will be cut in half every ten years. The implications of these and related problems are explored by Pesando and Rea in their analysis of public and private pensions in Canada. The analysis of private pension plans examines the adequacy of vesting and 'locking in' provisions, together with the broader question of whether the private pension system as currently constituted can remain viable in an inflationary climate. The analysis of public programs focuses on the financing of public pension plans, the income redistribution effects of the Canada Pension Plan, and the incentive effects of public retirement programs. A computer model which simulates the life histories of a large sample of Canadians indicates that the CPP tends to transfer wealth to those with a relatively high lifetime income.

This incisive analysis pinpoints the inadequacies of current provisions for retirement income and outlines the direction which planning must assume if the intentions of pension programs are to be fulfilled.

Speculation and Monopoly in Urban Development:

Analytical foundations with evidence for Toronto

J.R. Markusen and D.T. Scheffman

The recent rapid rise in land and housing prices in Canadian cities has generated much public concern. It is widely supposed that prices have been inflated by monopolistic developers, an assumption that has never been adequately tested. This study develops a model of the land development process which includes a new theory of land pricing giving special emphasis to market structure, speculation, and taxation. It then applies the model to the first fully documented examination of the Toronto land market, presenting specific original data on ownership and land assembly. The history of the conversion of farmland to residential use in four recent Toronto subdivisions permits a close look at the activities and profits of speculative middlemen and at the length of time developers buy land prior to subdividing.

The results indicate that Toronto real estate is not controlled by a few large developers, that ownership concentration is too low to imply market power even if all companies with overlapping corporate control are treated as a single firm. The authors suggest that rising prices have been caused by unforeseen increases in demand, shortages of municipally provided trunk service capacity, especially sewers, and frequent municipal reluctance to grant subdivision approvals.

Day Care and Public Policy in Ontario

M. Krashinsky

The last decade has seen rapid growth both in the use of extra-family care by

working parents and in public involvement in the day care sector. This study, written from a solid economic perspective, is an important contribution to the debate on public policy. After tracing the development of day care in Ontario, the study focuses on two crucial policy issues: should day care be subsidized and should the day care industry be regulated. Using a sophisticated economic model, Professor Krashinsky demonstrates that the Ontario subsidies to day care are an inefficient way to assist working parents. Instead, he proposes a system of tax reductions which would enable many more families to take advantage of a greater range of child care facilities. If subsidies are to help children, he argues, they must apply to all children in need, whether or not their parents work and use day care. A general nursery school voucher system, he suggests, would be an effective approach.

Although regulation in Ontario has been useful, Krashinsky suggests that the province would be better served by an active public agency that restricted itself to collecting and disseminating information. He concludes that the province has been well served by a mixture of public, private, and non-profit day care institutions and that each mode has a role to play in an evolving sector.

*Provincial Public Finance in Ontario:
An empirical analysis of the last twenty-five years*
D.K. Foot

This detailed and informative study makes a timely contribution to a subject that has been the focus of much public discussion and debate in Ontario and elsewhere, namely the size and growth of the public sector. Working with the Public Accounts and other sources, Professor Foot offers both an historical account of, and an explanation for, the growth of provincial revenues and expenditures since the early 1950s. By concentrating on an analysis of the development of a single government over time, rather than adopting the traditional cross-section approach of analysing a number of junior-level governments at a point in time, this study adds a significant perspective to the literature concerned with the theoretical and empirical analysis of the behaviour of junior-level governments.

The study's conclusions are both informative and provocative. On the revenue side, a rate-base approach which separates discretionary from automatic changes in revenue determinants is shown to provide sufficient flexibility to accommodate the analysis and explanation of a wide range of specific revenues. On the expenditure side, the provincial government is found to adjust reasonably slowly to new levels of desired expenditures which appear to be determined primarily by demand variables. Of particular interest are findings which suggest that urbanization and elections have had little effect on expenditures and that available federal funds have tended to be a substitute for provincial funds.

Extending Canadian Health Insurance:

An Evaluation of Policy Options for Pharmacare and Denticare

R.G. Evans and M.F. Williamson

The study investigates the effects of introducing public pharmacare and denticare programs. It describes the relevant data necessary for proper program analysis, paying particular attention to areas where data are not currently available. The study also discusses feasible alternative public programs and their evaluation, and suggests ways in which evaluation might be improved. Due attention is paid to matching specific programs with public objectives.

Various arguments for public action in these areas are discussed, including risk-spreading, income redistribution, and increasing utilization of certain services by particular population groups. The various issues related to the efficiency and organization of the services' delivery system are also discussed.

Residential Property Tax Relief in Ontario

R.M. Bird and N.E. Slack

In the early 1970s the Ontario government responded to criticism of the regressive nature of the property tax by introducing the property tax credit and the property tax stabilization program. Although the two programs differ sharply in operation, both were designed, at least in part, to relieve the burden on the residential property owner. This study proceeds from a broad consideration of the role of the property tax in Ontario's fiscal system and the incidence of the residential property tax to a detailed appraisal of the effectiveness of these programs.

The authors conclude that the property tax itself may not be as regressive as the traditional view has assumed and, further, that property taxes might not be much different in the absence of the relief measures. These conclusions themselves raise crucial questions for policy-makers in the continuing discussion of the property tax.

PUBLISHED OCCASIONAL PAPERS

Basic Skills at School and Work:

The Study of Albertain An Ontario Community

O. Hall and R. Carlton

This study explores the interface between employing institutions and post-secondary institutions on the one hand and the framework of elementary and secondary educational institutions on the other. The central objective is to determine how good a fit there is between the needs of the former and the efforts by the latter to confer basic skills on the students.

The findings indicate that, in terms of recent high school leavers, employers are relatively satisfied with the kind of basic skills they possess, although the demand for these skills within the work setting is really quite minimal. The employers are nevertheless concerned about what they perceive to be poor attitudes towards work on the part of these recent high school graduates.

Demand for basic skills is much greater in post-secondary institutions. There appears to be a general dissatisfaction with the skills of recent high school graduates, and an assortment of remedial programs is in existence. The demand for skills varies within each program, as does the recruitment of students. There is also evidence of programs being altered to respond to the level of skills of the incoming students.

Prospects for Preventive Medicine: A Catalogue

R.W. Morgan

This study compiles a catalogue of preventative programs and examines their rationale and their problems. The study discusses criteria which should be applied in deciding whether or not to implement suggested new programs. As well as examining criteria for effectiveness, the study contains numerous recommendations on a disease-specific basis. It also provides a suggested distinction of responsibility for the implementation of viable preventative programs.

The methodology has involved an examination of morbidity and mortality data for Canada, some visits to health centres outside Canada, and a review of the methods of prevention available or proposed for every disease in the International Classification of Diseases.

Educational Problems in Ontario and Some Policy Options

J.A. Buttrick

This study investigates the main educational problems which are expected to arise in Ontario over the next decade. In addition to critiquing existing forecasts of manpower requirements in the province, detailed studies are made of manpower requirements in the secondary and post-secondary teaching professions. Finally, issues in the area of post-secondary education are considered.

PUBLISHED DISCUSSION PAPERS

An Economic Analysis of the Hall Commission Report

A. Abouchar

This paper first summarizes the main conclusions of the Grain Handling and

Transport Commission (the Hall Commission). The author then analyses the implications of the report for Ontario and for the national welfare.

Emerging Problems in Post-Secondary Education

This discussion paper contains the theme papers presented at a seminar on post-secondary education by the Council. The subjects dealt with include the setting of tuition fees, capital funding, research funding and the future role of the university system in Ontario. A report of the discussion relating to the papers is also included in the report.

The Pension Fund Debate

R.M. MacIntosh and J.F. Chalcraft

This discussion paper contains two papers which were presented by the authors to an "Outlook and Issues" seminar sponsored by the Council and held at London in November, 1977. The paper by MacIntosh deals with the indexing of pensions in the public sector. Chalcraft's paper deals with questions concerning such matters as vesting and 'lock-in' provisions.

PUBLISHED WORKING PAPERS

Who Goes to University from Toronto

J.A. Buttrick

This study makes use of Census data, records of students who have received honours graduation diplomas, data from the Ontario Universities' Application Centre, as well as evidence from the older Carnegie Study to describe the influence of the neighbourhood and school on university attendance. Some of the results are unexpected: girls receive higher marks in school but, even in Grade 9, have lower scholastic aptitude scores; in richer neighbourhoods the correlation between average marks and scholastic aptitude scores is higher than in poorer neighbourhoods; holding scholastic aptitude constant, a youngster is more likely to receive an Ontario Scholarship if he/she attends a school in a rich neighbourhood. Most of the results, however, are much as one would expect: holding scholastic aptitude constant, children from more affluent neighbourhoods are much more likely to remain in school through Grade 13 and continue into university.

The study also considers some of the policy options available to those who desire a more egalitarian society. The problem of change is judged to be difficult, since what parents are able to do for their children, including choosing a neighbourhood in which to live, seems to be crucial for the subsequent academic performance of young people.

Fiscal Knowledge and Fiscal Preferences

D.A.L. Auld

The purpose of this study is two-fold: to determine broadly the extent to which people in Ontario are familiar with certain aspects of local-provincial finance, and secondly to analyse individual preferences for particular public goods. The basic research instrument was a personal interview survey covering almost 1,300 households in Ontario. The results were then subjected to a number of statistical analyses.

The findings are difficult to summarize briefly since they encompass a large number of dimensions. Broadly, the findings showed that (1) there is considerable ignorance about those aspects of the public sector dealt with in the survey; furthermore, the degree or pattern of ignorance is not related to the characteristics of the respondents. (2) The pattern of fiscal preference did not vary appreciably; there was no strong consensus concerning too much or too little spending on a particular function, with the exception of administrative expenditure. (3) The age of the respondents and the size of their urban communities were the most frequent significant predictors of fiscal preference. (4) At best, the characteristics of the respondents explained 15 per cent of the variance in fiscal preference orientation.

MANUSCRIPTS IN PRESS

Measuring Health; lessons for Ontario

A.J. Culyer

Planning and evaluating any health care program is a formidable task: how do you measure the health of a population? This fundamental question has been approached from various perspectives in medical, administrative, and economic studies. This book provides a guide to health measurement literature and relates it to Ontario's current and prospective policy choices and to the federal context of health indicator development. Professor Culyer applies various social indicators and indices to existing statistics in Ontario in a county-by-county survey of the province's health care. He also outlines the kinds of information essential to health assessment but not currently available.

The book as a whole emphasizes the importance of health care measurement in the humane and efficient planning of health services. It will be of interest to all concerned with the practice of medicine in the 1980s and the planning of health services at the federal and provincial levels, as well as to those with a special interest in health from the economic, political, and sociological perspectives.

Publication: April 1978

The Market for New Housing in the Metropolitan Toronto Area

R.A. Muller

This is a study of the industrial organization of the market for new housing in the Metropolitan Toronto Area, defined for statistical purposes as the Toronto Census Metropolitan Area. The project is designed to describe and document the operation of the market with particular attention to the supply of new housing. Special attention is given to the degree of market power available to large developers and the extent of supply constraints in the provision of served land. The conduct of firms and the performance of the market are evaluated, and implications for public policy are discussed.

The study draws on previous research, on interviews with developers and planners, and on the records of the Ministry of Housing. It concludes that concentration in the development of housing is low, that there is no evidence of collusion among firms, but that the timing of land development may be affected by the size of the company's holdings. There is evidence of substantial delay in the process of approving new residential developments.

Publication: May 1978

The Income Distribution Effect of Medical Insurance in Ontario

P. Manga

This study investigates the distribution of the costs of Ontario's medical insurance plan by income class. The definition of "benefit" in this context is basically the value of services at current prices, costs, or fees, and not the value of some final measure such as "improved health". The study also attempts to analyse the distributional effect by using important sociodemographic characteristics of the population (i.e. geographic location, age, and family size).

The major difficulty faced in the estimation of benefit incidence is the absence of the required data base. Thus a survey has been undertaken to develop a micro-data base including the important sociodemographic and income information on a sample of OHIP families and some pertinent health-related data. The survey data are merged with the utilization records of the Ministry of Health to generate the complete base for the estimation of benefit incidence and for investigation of the determinants of health-care utilization in Ontario.

Publication: June 1978

Who Benefits from the Ontario University System:

A Benefit-Cost Analysis

O. Mehmet

The purpose of this study is to test empirically the hypothesis that university

education in Ontario is regressive (pro-rich) reflecting unequal access by the relatively poor socio-economic groups in the creation of human capital undertaken in the universities. The study is an application of the standard Human Capital Theory within a benefit-cost framework. A unique feature of the benefit-cost model is that benefits and costs of university education are measured from the standpoint of specific income-groups (i.e. groups of parents) rather than an individual investor. The central reference group is the full-time male graduates of bachelor degree programs completing their studies in Spring 1974.

Publication: July 1978

The Northern Dilemma: Public Policy and Post-Secondary Education in Northern Ontario

D.M. Cameron

The objective of this study is to examine the case for and against the differential treatment of post-secondary education in northern Ontario, to ascertain the present degree of differential treatment, and to examine the effectiveness of both actual and desirable differential treatment. Information has been derived from interviews with university and college officials and from provincial documentary and data sources.

The study contains recommendations relating to the structure, organization, and financing of post-secondary education in northern Ontario.

Publication: April 1978

Input-Output Analyses of Fiscal Policy in Ontario

R.W. Boadway, A.A. Kubursi, and J.M. Treddenick

Edited by J. Bossons

Because of the diversity of effects of government policy, it is desirable to be able to obtain disaggregated analyses of changes in government fiscal policy. Input-output models provide a technique for making such disaggregated analysis; such models are being increasingly used for this purpose.

A description of the nature of input-output models, together with an evaluation of their values and limitations, is provided in an introductory essay by Bossons. The remainder of the study contains several important extensions of input-output data which are required for analyses of the disaggregated effects of Ontario fiscal policy. These include: (1) the construction of detailed estimates of trade flows between Ontario and the rest of Canada, by Boadway and Treddenick, (2) estimation of the industrial composition of different components of government expenditures, by Kubursi, and (3) estimation of the regional distribution of value-added and wage bills of each industry, also by Kubursi.

The papers in this study rest on assumptions which are necessarily restrictive; their conclusions hence should be regarded as first approximations. Nevertheless, the conclusions are provocative and should motivate further work aimed at creating an improved data base with which more accurate disaggregated policy models can be constructed.

Publication: May 1978

Research Projects in Progress

1. Health

Hospital Budgeting in Ontario

R.G. Milne

Health services involve a substantial provincial financial commitment, and hospitals appropriate a very large part of that cost. The objective of the study is to examine how the budgetary system is administered by the Ontario Ministry of Health and to assess the scope for modification as a means of reducing the cost of hospital care.

The study will involve a description of the budgetary system in Ontario from 1969 to 1975. Ministry and other data related to the budgets awarded will be examined to determine the size and nature of increases allowed and to identify the factors and parties in the review process which have had a significant influence on the allocation of funds across hospitals in Ontario. Budgetary changes introduced in that time period will be assessed with respect to Ministry objectives.

Physician Direct Billing of Patients

A. Wolfson and C. Tuohy

The study examines empirically the behaviour of opted-out and opted-in Ontario physicians in terms of levels of services provided, the mix of services, their use of other health resources, cost per patient, encounters per patient, characteristics of physicians in terms of sex, date or place of graduation, and practice-type, and so on. The study presents the "political economy" of direct-billing and attempts to analyse the economic, political, social, and medical forces at work in determining the performance of this "private" sector in the health care system of Ontario. Much of the relevant data will be obtained through a survey of Ontario physicians. Some supplementary information will be obtained from the Ministry of Health as well as the medical associations. The policy implications of the results will be discussed.

The Medical Care Expenditure Implications of Community Health Centres in Ontario

M.L. Barer

This study will develop a methodology for estimating the marginal costs of diagnosis-specific hospital cases. These costs, when combined with hospital utilization data reported in studies of community health centre subscribers and matched, non-centre, populations, will allow a determination of the fiscal implications of such utilization data.

The method employed to derive marginal case costs involves the specification and estimation of a hospital cost equation relating average cost per case to various hospital-specific factors. A comparative static determination of the implications of changes in case mix on average costs provides the marginal cost estimates.

Some consideration will also be given to the potential use of these, or similarly derived, case costs as a basis for hospital reimbursement.

A Benefit Incidence Analysis of the Hospital Insurance Program in Ontario

P. Manga and M.L. Barer

This study will entail a benefit incidence analysis of the hospital insurance program in Ontario. The factors underlying hospital utilization in Ontario will also be assessed, with particular attention being paid to differential determinants by income class. Finally, the implications of the above analysis for current and prospective health policy programs will be considered.

Controlling Health Costs by Charging Patients — Snare or Delusion?

M.L. Barer, R.G. Evans and G.L. Stoddart

The project will attempt to develop a taxonomy of different types of proposals for point-of-service charges or other utilization-related charges to patients. It will then specify the assumptions about the health care industry which are necessary to predict the impact of these proposals. Drawing on empirical and other information, it will assess the plausibility and consistency of these assumptions and will thereby evaluate the probable effects of patient participation on levels and patterns of utilization and costs of health care. Amongst the schemes which will be considered are deductibles, coinsurance, the Ontario Economic Council's income tax linked scheme and major-risk insurance. This analysis should allow identification of a set of preconditions which, if satisfied, would permit the attainment of identified objectives through the policy of direct charges. Proposals or programs which do or could incorporate such conditions will then be discussed.

2. Social Security

The Size Distribution of Income: A Theoretical Survey

C.M. Beach and F.R. Flatters

The purpose of this study is to summarize and synthesize various works on the theory of size distribution of personal income within a single, general framework, in order to provide some understanding of the interactions of the many different social and economic forces determining and altering the income distribution. This study is intended to direct policy-makers and researchers toward major issues and aid them in developing effective strategies for dealing with them. The study points to many important theoretical and empirical questions that should form the basis for research programs to aid informed public discussion and policy-making with respect to income distribution issues in Ontario and Canada.

The Income and Asset Distribution Picture in Ontario

C.M. Beach and F.R. Flatters

The study reviews the current state of income distribution in Ontario, and then attempts through a series of adjustments and imputations to build up a more accurate estimation of the underlying distribution of real incomes for long run economic studies in Ontario. This involves a review of the asset and net worth position of different income groups, as well as the effect of life cycle upon measured inequality.

The Administrative Cost of Income Security Programs (Ontario and Canada)

M. Mendelson

This study investigates the change in costs of administration of six income security programs in Canada and Ontario from 1961 to the present. This is of particular interest currently since many proposals for reform of income security programs, in particular guaranteed income plans, contain an implicit assumption that savings in administration may be large enough to offset much of the increased program costs. While there has been a great deal of recent theoretical work concerning the growth of government, there has been very little detailed empirical analysis of the actual nature of that growth. The distinction presented in this study between administrative and program cost may help shed some light on such theories.

There are three specific questions addressed: (a) Have individual income security programs tended towards greater or lesser administra-

tive cost per case? (b) Is the percentage of administrative costs to total benefits paid to recipients large enough to allow any significant savings in the overall bill? (c) What implications do the empirical results have for theories of public policy formulation?

On the Federal level, the programs discussed are Unemployment Insurance, the combined Old Age Programs and the Family Allowances. The Provincial programs analysed are Provincial Allowances, Municipal Allowances, and Workmen's Compensation.

User Charges in the Social Services

M. Krashinsky

The aim of this study will be to find the answer to the following questions:

(a) Under what circumstances are varying types of user charges (full cost, less than full cost) appropriate.

(b) When less than full cost user charges are appropriate, how are they to be integrated across various services and with the general welfare system? Also, how are work incentives to be retained.

(c) What user charges are currently in use in Ontario and what changes might be envisioned?

(d) How would the recommended changes alter the welfare of various recipients in Ontario?

(e) How would the cost to taxpayers change?

Disability Insurance: On Economic and Legal Analysis

S.A. Rea Jr. and J.R.S. Prichard

In addition to analysing previous work in this area, it is envisioned that this study will produce at least four original contributions:

1) A rigorous economic analysis of workmen's compensation systems.

2) Recent theoretical research on imperfect information in insurance markets will be incorporated in the analysis of private disability insurance.

3) A rigorous legal and economic analysis of alternative liability rules and compensation systems within the Canadian institutional framework and a consideration of the extent to which a multi-objective system can be implemented in the Canadian legal environment.

4) The analysis should lead to a specification of the empirical tests that might resolve some of the crucial issues in this area. These tests will be formulated after a review of the existing Canadian data.

3. Urban Affairs

An Economic Analysis of Provincial Land Use Policy in Ontario

M. Frankena and D.T. Scheffman

The purpose of this study is to provide an economic analysis and evaluation of the increasingly important role which is being played by the Ontario provincial government in planning and controlling regional land use. The focus of the study is on provincial planning and land use control in the Toronto-Centred Region (TCR), particularly regulation of the conversion of rural land, creation of greenbelts, and attempts to change the size and spatial distribution of urban areas in the TCR.

The research is directed to answering three questions:

(a) What is the economic rationale, if any, for provincial intervention in the determination of regional land use and location patterns?;

(b) What sort of provincial policies would produce an efficient allocation of resources?;

(c) What do the existing and evolving provincial policies purport to do, what will they actually do, and what are their benefits and costs?

The study will include a detailed empirical analysis of the rate of conversion of rural land in the TCR and an empirical study of the demand for residential land and the effect of provincial planning on residential lot prices. The study will also include a review of the British experience with regional planning and land use controls.

Housing Programs and Income Distribution

G.B. Fallis

This project examines the impact of the housing-related activities of both the federal and provincial governments on the distribution of income in Ontario. Particular attention is paid to those housing programs which directly subsidize households and suppliers, and to subsidies inherent in the income tax system. Emphasis is placed on identifying the beneficiaries by age, family size, and income and on measuring the benefits simply as the difference between the market value of the services received and the payments made by beneficiaries. The analysis will use data supplied by the agencies responsible for the programs and data in the 1971 Survey of Consumer Finances.

In light of this analysis, there will be a discussion of alternative programs which might better achieve policy goals.

Housing Economics and Public Policy

G.W. Davies

Low income families frequently occupy housing which is supplied by

the filtering process, rather than newly built housing. Families with increased real incomes wish to increase their standard of housing so they occupy new housing, which the private market supplies, and their existing housing is "filtered down" to lower income families.

This project will begin an investigation of the effects of filtering process in the housing market on the housing consumption patterns of different income groups. It will survey existing filtering models and examine selected housing policies to determine how a filtering model may be used to assess the effects of these policies. Some preliminary work may also be done with the 1974 CMHC survey of dwelling units, which is linked to the 1971 Census, to investigate whether models of filtering might be estimated.

Provincial-Municipal Grant Reform in Ontario

N.E. Slack

The purpose of this paper is to examine the provincial-municipal grant system in Ontario. It will provide a description of grant programs in terms of their eligibility conditions, basis of assistance and other regulations. The impact of both conditional and unconditional grants on the expenditure and tax rate decisions of municipalities will be analysed.

This paper will also consider the implications of the recommendations in the recent report of the Provincial-Municipal Grants Reform Committee. In addition, the impact of proposals for property tax reform on inter-governmental transfers will be considered. Finally, the paper will discuss some other issues and concerns with respect to grant reform in Ontario.

Pricing Urban Public Services

N.E. Slack

The object of this study will be to examine user charges as an alternative method of financing urban public services in Ontario. In addition to providing increased revenues to municipalities, it has been argued that user charges provide a good indication of willingness to pay for the particular service and ration demand to those who value the service most highly.

The first part of this study will look at the theoretical literature on pricing of public services in an effort to determine an "optimal" price for the service. This will be followed by a survey of methods used in Ontario to finance urban public services including property taxes and intergovernmental subsidies, and user charges such as lot levies and special assessments. The study will attempt to analyse the extent to

which these methods reflect some sort of “optimal” price as described above. Finally, the implications of greater reliance on user charges with respect to resource allocation, the price of housing, residential spatial structure and local government finance will be examined.

Economic Issues and Ontario's Property Tax Reform

M. Denny

Property tax reform has been portrayed as a solution to the arbitrary inequities of past property tax administration. Very little concern has been directed towards an economic analysis of the consequences of the reform. In an attempt to rectify this situation, this study will analyse the following four areas of concern:

(a) *Administration:* The difficulties of the administration of the old property tax have been misrepresented. There was a higher degree of consistency under the old administration than most critics have suggested. A very serious problem exists in maintaining consistent market value assessment. Up-to-date assessment of the market value of a huge number of properties can not easily be achieved. Alternative methods for limiting the errors in market value assessment will be discussed.

(b) *Tax Base:* The market value base does not reflect any sensible concern for the distribution of benefits from local services.

(c) *Efficiency:* The property market sells bundles of characteristics which can not be unbundled except at substantial cost. The reform attempts to introduce a more neutral tax. The costs of unbundling characteristics are high. The reform will not reverse real choices made in the past but will lead to substantial re-valuation. Two important political issues are the incentives for apartments and for the destruction of the downtown core in smaller towns. An economic analysis of the efficiency aspects of the reform will be undertaken.

(d) *Re-Distribution:* The largest immediate impact of the reform is a redistribution of the existing tax burden amongst properties. It is possible to identify the type of property and consequently type of owner that will have taxes raised or lowered. Consequently the income or wealth re-distribution involved in the reform will be outlined.

4. Education and Manpower

Unemployment and Labour Force Participation of Young People
Quantec Research Ltd.

The aim of this project is to study intensively the nature and extent of unemployment and labour force activity of people under the age of 25

in Canada, in general, and in Ontario, in particular; in the course of the study, to give special attention to changes that have occurred over time in the levels and distributions of unemployment and labour force in this group, including changes of a longer-run trend character, “cyclical” variations, and shifts in seasonal patterns; through the use of newly available micro-data, to analyse the characteristics of the young unemployed and labour force in recent years and to relate the probabilities of being unemployed and of labour force participation to demographic, educational, occupational and other characteristics of individuals; to attempt to assess the economic ‘welfare’ costs of youth unemployment.

5. Northern Ontario

The Industrial Structure of the Ontario Mining Industry

S.H. Gill

The purpose of this study is to examine the structural features of Ontario’s mining industry, with particular reference to metal mining in northern Ontario. The primary objective is to ascertain the ways in which various aspects of industrial structure affect the stability of income and employment levels in northern communities heavily dependent on mining activities.

As well, this study examines the case for and against the encouragement of further processing of raw and semi-processed materials, as a possible solution to the cyclical movement of income and employment levels. This also involves a critical examination of existing public policies which intend to promote further processing.

6. National Independence

Resource Use, Foreign Ownership, and Taxation: An Economic Analysis of Provincial Mining Policy

P.G. Bradley

The objective of this research is to provide a clear statement of the economic issues central to provincial policy toward the mining industry. These include: (1) the identification of earnings in mining, in excess of a normal return on capital, which are attributable to the natural resource and which represent a distinctive tax base, (2) the extent to which special features of the mining industry cause foreign ownership to be particularly disadvantageous, and (3) the role of taxation policy, as it relates to the preceding items and to the division of resource revenues among different levels of government.

Financial Markets and Foreign Ownership

J.C. Pattison

This study examines the financial factors which have influenced the changing levels of foreign control. First, the adequacy of aggregate domestic savings is examined, and the role of monetary and fiscal policy is explored. Second, general trends in the flow of funds in Canada are examined to show the origin and disposition of funds among deficit and surplus sectors. A discussion and brief analysis of the complex regulation of financial markets and the institutionalization of savings with reference to foreign ownership leads to a consideration of bank lending, equity markets, and underwriting.

The study examines the over-all implications of the foreign control question and makes suggestions for provincial and federal policy and the coordination of such policy.

Efficient Capital Markets and the Equity Capital Market in Canada

C.C. Potter

Little empirical work has been done in Canada on the efficiency of capital markets. Moreover, there is no consensus regarding the state of efficiency in Canadian markets. The objective of this project is to supply some direct evidence.

Transfer Pricing by Multinationals

G.D. Quirin and G.F. Mathewson

This is an examination of transfer-pricing decisions involving movements of unmarketed goods and services between corporate affiliates in two or more countries. It examines conditions under which such prices will diverge from prices which would emerge in transactions between arm's-length firms. It also studies the effects the opportunity to manipulate transfer prices may have on the allocation of resources within a country and on the location of production and employment between countries. In addition it examines the impact of transfer pricing on tax or tariff revenues. Constraints on transfer pricing in Canada, the United States, the EEC, and certain other countries are examined to determine the extent to which they modify behaviour in this regard. Because information on transfer pricing tends to come to light only as a consequence of litigation, it is impossible to obtain data representative of normal practice in this matter. The study is based on numerical solutions to a series of models, the parameters of which are varied in such a way as to cover the range of likely cases.

7. Intergovernmental Relations

How Decentralized is the Canadian Federation?

E.R. Black

In the current debate over the future of Confederation it is frequently asserted — and as frequently denied — that Canada is the most decentralized of advanced federal systems and has almost uniquely resisted trends towards greater centralization which have been evident almost everywhere in the period since World War II. Both assertion and denial are usually based on unstated premises with respect to what decentralization means and how it should be measured. The concept itself is ambiguous, confused and subject to many interpretations. It is multi-dimensional and the dimensions must be specified and independently analysed.

This study will advance the understanding of the concepts by:

1. A survey of the literature (Canadian and foreign) in order to elucidate and specify the various meanings and dimensions of the concept “centralization-decentralization”.
2. Development of operational indicators for as many dimensions of the concept as possible.
3. Application of these indicators to: (a) Compare Canada with other advanced federal countries. (b) Compare different times periods within Canada. What are the trends? Do they vary depending on the indicator selected?
4. Discussion of qualitative or unquantifiable elements of centralization-decentralization.

Reforming Planning in Ontario: Strengthening the Municipal Role

J. Bossons

This project will produce a report which will review and analyse the policy proposals of the Committee on the Review of the Planning Act (Comay Report) and of the Robarts Commission on Metropolitan Toronto insofar as they relate to planning procedures. The report will analyse in depth the proposals relating to the role of official plans, to the role of the Ontario Municipal Board, to approval procedures and to the broadening of land use controls.

Organization and Activities

Outlook and Issues '77 Conference

On Monday, April 25, 1977, the Council held its third annual one-day "Outlook and Issues" Conference at The Prince Hotel in Toronto. The Conference was attended by 300 senior business, labour and government officials, the news media, academics and the general public.

Among the highlights of the Conference were the dinner address by The Honourable Jacques Parizeau, Quebec Minister of Finance and Revenue, on "Quebec Canada Proposals for Economic Association," and the luncheon address by Peter B. Kenen, Walker Professor of Economics and International Finance, and Director of the International Finance Section, Princeton University, on "Prospects and Issues in the International Economy." The morning plenary session began with "The Ontario Economic Outlook, 1977-1978" by J. Robert René de Cotret, President, The Conference Board in Canada followed with a commentary by George Post, Acting Chairman, Economic Council of Canada. Claude M. Isbister, Consulting Partner, Currie, Coopers and Lybrand Ltd., addressed the mid-afternoon session on "Ontario's Energy Requirements and Policy."

In addition, there were two concurrent panel sessions in the morning on "The Ontario Economic Outlook for the Next Decade" followed by two in the afternoon on "The Process of Public Decision-Making and "Inter-governmental Relations." The sessions focussed on discussion papers prepared by the Council. The issues were examined by panelists from business, finance, industry, and labour, as well as by legislators and academics, with audience participation.

Outlook and Issues '78 Conference

This fourth annual "Outlook and Issues" Conference was held at The Prince Hotel on Monday, March 6, 1978. The approximately 300 attendees were once again composed of representatives from all sectors of economic activity in Ontario.

The Conference opened with a general discussion of the problems of business in the areas of Investment and Regulation presented respectively by David M. Culver, President, Alcan Aluminium Ltd. and William A. MacDonald, Q.C., Partner, McMillan, Binch. The remainder of the morning session was composed of concurrent panel sessions on Investment Problems in the Construction, Energy, Manufacturing and Resource industries.

The luncheon speaker was Robert C. Scrivener, Chairman and Chief Executive Officer, Northern Telecom Limited. His topic was "Canada vs. U.S. Investment — The Canadian Dilemma."

The afternoon activities began with four concurrent panel sessions which focussed on the effects of Government Regulation in the following areas: the Environmental and Health Fields, the Food and Agricultural Industries, Land and Housing and the Transportation and Communications Industries. Focus for discussions in these and the morning panel sessions were two conference papers issued by the Council entitled "Business Investment" and "Government Regulation".

The panel sessions were followed by a public lecture entitled "Update on the Confederation Debate in Quebec" by The Honourable Maurice Sauvé, P.C., Vice-President Administration, Consolidated Bathurst Limited.

The dinner speaker was The Honourable Donald S. Macdonald, P.C., M.P. He spoke on "Some Perspectives on the Canadian Economy in a Competitive World Environment".

Seminar Series

To expand its educational activities, the Council sponsored four one-half day seminars. At each seminar the first half of the proceedings was a discussion of the economic outlook for Ontario to the year 1987. The second half was devoted to special topics. The following lists the dates and locations of the seminars and the titles of the special topics:

- a) *October 24th* — Kingston — Intergovernmental Relations
- b) *November 21st* — Hamilton — Coping with Health Care Costs
- c) *November 28th* — London — Public and Private Pensions in Canada
- d) *January 23rd* — Thunder Bay — Transportation Rates and Economic Development in Northern Ontario

The seminars were well attended and further seminars are planned for 1978-79.

Seminar on Emerging Problems in Post-Secondary Education

On May 8th-9th, 1977, the Council sponsored a seminar on "Emerging Problems in Post-Secondary Education". Theme papers were presented by A.N. Bourns, President and Vice-Chancellor, McMaster University; J.S. Dupré, Professor of Political Economy, University of Toronto; D.F. Forster, President and Vice-Chancellor, University of Guelph; O. Mehmet, University of Ottawa and H.I. Macdonald, President and Vice-Chancellor, York University. The papers dealt with research in universities, the determination of tuition fees, capital funding, income redistributive effects of university education and the future role of the university.

Each paper was critiqued by a discussant and was the subject of more general discussion by the 35 participants. The majority of the papers and applicable discussants' remarks were issued as a Council discussion paper entitled "Emerging Problems in Post-Secondary Education".

A seminar similar in format to this one will be held in September, 1978. The focus of this seminar will be vocational training.

Meetings of the Council

In 1977-78 Council members participated in numerous meetings of Council committees concerning particularly the two conference papers. In addition, the Council met five times, as required under The Ontario Economic Council Act; April 24th, September 12th, November 12th, 1977, February 9th and March 5th, 1978.

Council Committees

The research program is organized under six committees of the Council. This structure makes it feasible for Council members to participate at some depth in the research program. Each Council member is on at least one such committee with one of them serving as Chairman along with a staff member serving as secretary. The Council Chairman and the Research Director and Executive Secretary are ex officio members. The six committees parallel the six research areas. These committees are responsible for advising the full Council on the priorities within their respective areas. Apart from these duties, committee members participate in policy seminars, conferences, and other activities aimed at applying the basic knowledge derived from the research program to public policy issues of current importance. The composition of these committees is as follows:

EDUCATION AND MANPOWER

J.D. Gibson - Chairman
H.F. Dougall
R.G. Hill
J.A. Stewart
J.J. Stuart
D.M. Winch

HEALTH

J.T. Pennachetti - Chairman
M.M. Campbell
R.R. de Cotret
R.G. Hill
J.C. McKibbin
W.A. Vincer
W.P. Wilder
M.L. Barer - Staff

INTERGOVERNMENTAL RELATIONS

SOCIAL SERVICES AND TRANSFERS

A.E. Safarian - Chairman
J.H. Bennett
J. Banfield Haynes
T.E. Kierans
L.K. Lodge
D.C. Smith
W.P. Wilder

H.F. Dougall - Chairman
D.B. Archer
M.M. Campbell
J.C. McKibbon
J.T. Pennachetti
W.A. Vincer
M. Mendelson - Staff

GOVERNMENT REGULATION

J.H. Bennett - Chairman
R.R. de Cotret
E.L. Hollingsworth
T.E. Kierans
L.K. Lodge
W.F. McCormick
D.C. Smith
J.A. Stewart
J.D. Todd - Staff

URBAN AFFAIRS

J. Banfield Haynes - Chairman
D.B. Archer
E.L. Hollingsworth
J.C. McKibbon
J.J. Stuart
W.P. Wilder
D.M. Winch
N.E. Slack - Staff

Research Management Teams

While the Council committees provide the necessary interface between the research program and the full Council, the job of mounting and monitoring the research program falls to research management teams made up of Council staff and external experts. Research management teams generally correspond to the areas of research interest. A link is maintained between the research management teams and the Council committees by the Research Director and Executive Secretary and the officer in charge of the particular research area. The present composition of these teams is as follows:

EDUCATION AND MANPOWER

J.A. Buttrick - York University
A.E. Kovacs - University of Windsor
N.M. Meltz - University of Toronto
J.D. Welland - McMaster University

INTERGOVERNMENTAL RELATIONS

R.M. Bird - University of Toronto
T.J. Courchene - University of
Western Ontario
H.I. Macdonald - York University
S.S. Reisman - Reisman and
Grandy Limited
D.V. Smiley - York University
R. Simeon - Queen's University

HEALTH

R.G. Evans - University of
British Columbia
R.D. Fraser - Queen's University
J. Madden - University of Guelph
M.L. Barer - Staff

GOVERNMENT REGULATION

J. McManus - Carleton University

J. Palmer - University of
Western Ontario

A.M. Spence - Harvard University

M.J. Trebilcock - University of Toronto

L. Waverman - University of Toronto

J.D. Todd - Staff

URBAN AFFAIRS

G.W. Davies - University of
Western Ontario

D.N. Dewees - University of Toronto

J.M. Hartwick - Queen's University

N.E. Slack - Staff

SOCIAL SERVICES AND TRANSFERS

M. Krashinsky - University of Toronto

R. Van Loon - Carleton University

B. Spencer - McMaster University

M. Mendelson - Staff

Members of the Council

Members of the Ontario Economic Council are appointed by the Lieutenant Governor in Council for a period of up to three years. Members are eligible for re-appointment.

The members of the Council with terms expiring December 19, 1978, are:

Mr. David B. Archer
Toronto

Mrs. Jalyynn H. Bennett
Investment Manager
Manufacturers Life Insurance Company
Toronto

Mr. J. Robert René de Cotret
President
The Conference Board in Canada

Mr. H. Fraser Dougall
President
Thunder Bay Electronics Limited
Thunder Bay

Mr. J. Douglas Gibson
Chairman
The Consumers' Gas Company
Toronto

Mr. Rowland G. Hill
General Vice-President and
Canadian Regional Director
International Union of Operating
Engineers, Willowdale

Mr. E. Lynn Hollingsworth
Vice-President
Soo Mill & Lumber Company Limited
Sault Ste. Marie

Mr. William F. McCormick
President
Glen Highland Holdings Limited
Cambridge

Dr. David M. Winch
Department of Economics
McMaster University
Hamilton

The members of Council with appointments ending December 19, 1979, are:

Dr. Jane Banfield Haynes
Associate Professor of Social Science
York University, Downsview

Mr. Lorne K. Lodge
Chairman and President
IBM Canada Ltd., Don Mills

Miss J. Clunas McKibbin
Administrative Officer and Actuary
London Life Insurance Company
London

Mr. John T. Pennachetti
Secretary-Treasurer
General Concrete Ltd., Hamilton

Dr. A. Edward Safarian
Professor, Department of Political
Economy
University of Toronto, Toronto

Dr. David C. Smith
Head, Department of Economics
Queen's University, Kingston

Mr. J. Andrew Stewart
President
J.A. Stewart Limited
Ailsa Craig

Mr. John J. Stuart
President
J.T. Wing Limited
Windsor

The following new members were appointed for the period ending December 19, 1979:

Mrs. Mona M. Campbell
President
Dover Industries Limited
Toronto

Mr. William A. Vincer
President Local 1000
Ontario Hydro Employees'
Union, Toronto

Mr. Thomas E. Kierans
Senior Vice-President & Director
Pitfield Mackay Ross Limited
Toronto

Messrs. Reuben C. Baetz and William P. Wilder resigned during the year. The Council wishes to express its sincere gratitude for their dedicated and conscientious service.

The members of the Executive Committee are: G.L. Reuber (Chairman), D.B. Archer, J.D. Gibson, J.H. Bennett, and D.C. Smith.

Council Staff

The present management team consists of the Chairman (part time), the Research Director and Executive Secretary, D.A. Dawson (full time), and the Administrative Officer, T.P. Lonergan (full time).

As of March 31, 1978, the Council research staff was composed of the following:

RESEARCH OFFICERS

M.L. Barer
S.H. Gill
N.E. Slack
J.D. Todd

RESEARCH ASSISTANTS

A. Gampel
C. Llewellyn
D. Markovich
G. Siegel
D.A. Vickers

During the year the following research staff changes occurred:

F.W. Mathewson joined the Council in January, for a one and one-half year period, on a part-time basis, as Research Associate in the area of Government Regulation. Mr. Mathewson is an Associate Professor in the Department of Political Economy at the University of Toronto and is a Research Associate at the Institute for Policy Analysis at the University

N.E. Slack joined the Council on September 6th as Research Officer in the Urban Affairs area. Ms. Slack recently graduated from the University of Toronto with a Ph.D. in Economics. She also has a M.A. degree in Economics from the University of Toronto and a B.A. degree from York University.

J.D. Todd joined the Council in February as a Research Officer in the Government Regulation area. Mr. Todd has earned the degrees of B.A.Sc. and M.B.A. from the University of Toronto.

Mr. C. Llewellyn joined the Council staff in November. He is currently employed as a Research Assistant in the Urban Affairs area. Mr. Llewellyn has earned a B.A. and M.A. in Economics from The University of Western Ontario and Lakehead University respectively.

The Council wishes to acknowledge the contributions of the following:

J.A. Buttrick, Senior Research Associate, who returned to York University in July.

G.B. Fallis, Senior Research Officer, now with York University.

D.G. Hartle, Senior Research Associate, who returned to the University of Toronto in July.

M. Mendelson, Research Officer, now serving as a consultant in social security policy to the Province of Manitoba.

J.C. Pattison, Senior Research Officer, now with The University of Western Ontario.

J.G. Young, Research Officer, now with the British Columbia Government.

The Ontario Economic Council Act

R.S.O. 1970, Chapter 309

1.	In this Act,	Interpretation
(a)	“Council” means the Ontario Economic Council;	
(b)	“Minister” means the member of the Executive Council designated by the Lieutenant Governor in Council to administer this Act. 1968, c. 82, s. 1.	
2.	(1) The Ontario Economic Council is continued, consisting of not more than twenty-one members appointed by the Lieutenant Governor in Council, of whom one shall be designated as chairman. 1968, c. 82, s. 2 (1), <i>amended</i> .	Establishment
	(2) The Council may contract and may sue and be sued in its own name, and the members thereof are not personally liable upon any contract made by the Council. 1968, c. 82, s. 2(2).	Power to contract and sue
3.	(1) The chairman of the Council shall be appointed to hold office for a term of not more than five years.	Appointment, chairman
	(2) Each of the members of the Council shall be appointed to hold office for a term of not more than three years, except that of those first appointed not less than one-third shall be appointed for a term of one year and not less than one-third shall be appointed for a term of three years.	Members
	(3) A retiring chairman or other member of the Council is eligible for reappointment to the Council in the same or another capacity. 1968, c. 82, s. 3.	Re-appointments
4.	It is the duty of the Council to advise and make recommendations to the Executive Council or any member thereof on methods for,	Duties of Council
(a)	encouraging the maximum development of the human and material resources of Ontario;	
(b)	supporting the advancement of all sectors of Ontario; and	
(c)	fostering conditions for the realization of higher standards of living for the people of Ontario. 1968, c. 82, s. 4.	

5. The Council may,

Further duties
of Council

- (a) conduct socio-economic studies in any area considered by the Council to be of concern;
- (b) cause to be published such studies and reports as are prepared by or for the Council;
- (c) co-operate and maintain liaison with the Economic Council of Canada and bodies in other jurisdictions corresponding to the Council;
- (d) create an awareness and public understanding of provincial socio-economic issues by holding seminars and conferences;
- (e) create such committees as it considers desirable for the carrying out of its objectives; and
- (f) undertake such other duties as are assigned by the Lieutenant Governor in Council. 1968, c. 82, s. 5.

6. (1) The chairman of the Council shall receive such remuneration as the Lieutenant Governor in Council may determine.

Salaries:
chairman

(2) The Minister may designate a member of the Council to be the deputy chairman who shall act in the absence of the chairman and may be paid such *per diem* allowance as the Lieutenant Governor in Council may determine.

deputy
chairman

(3) Members of the Council, other than the chairman and deputy chairman, shall serve without remuneration but all members shall receive their reasonable travelling and living expenses while absent from their ordinary place of residence in the course of their duties under this Act.

members

(4) Notwithstanding subsection 3, a member of the Council, other than the chairman and deputy chairman, may for any period during which he performs, with the approval of the Council, any duties on behalf of the Council in addition to his ordinary duties as a member thereof, be paid such remuneration therefor as the Lieutenant Governor in Council may determine.

Remuneration
for additional
duties

(5) Such officers and employees as are necessary for the proper conduct of the work of the Council may be appointed under *The Public Service Act*. 1968, c. 82, s. 6.

Staff
R.S.O. 1970,
c. 386

7. (1) The Council shall meet at least five times a year at the discretion of the chairman. Meetings

(2) A majority of the members constitutes a quorum of the Council. 1968, c. 82, s. 7. Quorum

8. The expenses of the Council in carrying out its objectives shall be paid out of the moneys appropriated therefor by the Legislature. 1968, c. 82, s. 8. Expenses of Council

Publications

ANNUAL REPORTS

Annual Report, 1974-1975

Annual Report, 1975-1976

Annual Report, 1976-1977

Annual Report, 1977-1978

ISSUES AND ALTERNATIVES

1976 Series

Education

Social Security

Health

Housing

National Independence

Northern Ontario Development

1977 Series

The Ontario Economy to 1987, including the supporting research study,

The Ontario Economy 1977-1987

The Process of Public Decision-Making

Intergovernmental Relations

1978 Series

Business Investment

Government Regulation

The Ontario Economy 1978-1987

RESEARCH STUDIES

Economic Analysis of Environmental Policies, by D.N. Dewees, C.K. Ever-son and W.A. Sims, 1976.

Property Crime in Canada: an econometric study, by Kenneth L. Avio and C. Scott Clark, 1976.

Tariff and Science Policies: applications of a model of nationalism, by D.J. Daly and S. Globerman, 1976.

The Effects of Energy Price Changes on Commodity Prices, Interprovincial Trade, and Employment, by J.R. Melvin, 1976.

A Theory of the Expenditure Budgetary Process, by D.G. Hartle, 1976.

Resources, Tariffs and Trade: Ontario's Stake, by J.R. Williams, 1976.

Transportation Rates and Economic Development in Northern Ontario, by N.C. Bonsor, 1977.

Government Support of Scientific Research and Development: an economic analysis, by D.G. McFetridge.

Public and Private Pensions in Canada: an economic analysis, by J.E. Pesando & S.A. Rea Jr.

Speculation and Monopoly in Urban Development: analytical foundations with evidence for Toronto, by J.R. Markusen & D.T. Scheffman.

Day Care and Public Policy in Ontario, by M. Krashinsky.

Provincial Public Finance in Ontario: an empirical analysis of the last twenty-five years, by D.K. Foot.

Extending Canadian Health Insurance: options for pharmacare and denticare, by R.G. Evans & M.F. Williamson.

Measuring Health: lessons for Ontario, by A.J. Culyer.

Residential Property Tax Relief in Ontario, by R.M. Bird & N.E. Slack.

OCCASIONAL PAPERS

Basic Skills at School and Work: the study of Albertain an Ontario community, by O. Hall & R.A. Carlton.

Prospects for Preventive Medicine: a catalogue, by R.W. Morgan.

Input-Output Analyses of Fiscal Policy in Ontario by R.W. Boadway, A.A. Kubursi, J.M. Treddenick, edited by J. Bossons.

Educational Problems in Ontario and Some Policy Options, by J.A. Buttrick.

The Market for New Housing in the Metropolitan Toronto Area, by R.A. Muller.

DISCUSSION PAPERS

An Economic Analysis of the Hall Commission Report, by A. Abouchar.

Emerging Problems in Post-Secondary Education.

The Northern Dilemma: public policy and post-secondary education in northern Ontario, by D.M. Cameron.

The Pension Fund Debate, by R.M. MacIntosh & J.F. Chalcraft.

WORKING PAPERS

Some Preliminary Evidence on Family Income Concentration in Ontario, by Harry M. Kitchen, June 1975 (1/75).

A Cross-Sectional Analysis of Canadian Public Attitudes toward U.S. Equity Investment in Canada, by J. Alex Murray and Lawrence LeDuc, June 1975 (2/75).

†*A Research Agenda in Health Care Economics*, by R.D. Fraser, October, 1975 (3/75).

†*Student Loans: A reappraisal, with Special Reference to Ontario's and Canada's Changing Needs in Educational Finance*, by E.G. West, December, 1975 (4/75).

Labour Market and Other Implications of Immigration Policy for Ontario, by William L. Marr, November, 1976 (1/76).

Exploitation of Ontario Mineral Resources: an economic policy analysis, by J. Clark Leith, December, 1976 (2/76).

Who Goes to University from Toronto, by J.A. Buttrick, February, 1977 (1/77).

Fiscal Knowledge and Preferences in Ontario, by D.A.L. Auld, March, 1977 (2/77).

GENERAL STUDIES

†*Information: A Critical Component for better Government*. Report of the Task Force on Local and Regional Government Data, May, 1975.

The foregoing publications are available from the Publications Centre, 880 Bay Street, Toronto, Ontario, M7A 1N8 except for the Working Papers which are available from the Ontario Economic Council, 81 Wellesley Street East, Toronto, Ontario M4Y 1H6. The Research Studies are also available from the University of Toronto Press, 5201 Dufferin Street, Downsview, Ontario M3H 5T8.

†OUT-OF-PRINT

